MINUTES

HIGHER EDUCATION STUDENT ASSISTANCE AUTHORITY

July 23, 2015

The Higher Education Student Assistance Authority (HESAA) Board held a meeting on April 23, 2015 at 10:00 am at the HESAA offices in Hamilton.

PRESENT:  Mr. James Allen (teleconference); Fr. Michael Braden; Ms. Audrey Bennerson, Secretary of Higher Education Designee; Ms. Gabrielle Charette, Esq.; Mr. Anthony Falcone; Mr. George Garcia, Esq. (teleconference); Dr. Jon Larson; Mr. Corey Amon, Treasurer’s Designee; Ms. Jean McDonald Rash (teleconference); Mr. Luis Padilla; Mr. Bader Qarmout; Mr. Shyam Sharma; Ms. Maria Torres and Ms. Christy Van Horn (teleconference), Members.

CALL TO ORDER

Anthony Falcone called the meeting to order at 10:00 am. Mr. Falcone stated that the meeting had been noticed in compliance with the requirements of the Open Public Meetings Act.

Mr. Falcone led those present in the Pledge of Allegiance.

Mr. Falcone welcomed the Board members and advised that because some members were participating via teleconference, Roseann Sorrentino would conduct a roll call for the resolutions.

Mr. Falcone welcomed Geoffrey Stark, Esq., Deputy Attorney General.

Sharon Austin provided a brief description of the Student Advisory Committee and introduced the new Student Advisory Committee Chair and Vice Chair. They provided the Board with a brief description of their accomplishments.

Luis Padilla, Chair graduated this past May from Union County College with an Associates of Science in Liberal Studies with a concentration in Business. During his time at Union County College Mr. Padilla was an active member of the EOF Program; and served as President to the Business Association at Union County College for two terms. This coming fall he will continue his education at New Jersey City University, where he will pursue a double major in management and marketing. Being a first generation American and college student graduating with a college degree was a dream that his family and he were constantly striving to make a reality. He stated that all of his academic and extra-curricular success could not have been possible without the many great opportunities that New Jersey’s Higher Education Student Assistance Authority has provided.

Mr. Padilla expressed his gratitude for all of these diverse opportunities stated that he is proud to continue as Chair to the HESAA Student Advisory Committee, and as a voting member of the HESAA Board.
Shyam Sharma, Vice Chair is entering his junior at Caldwell University this fall. He is a business administration and management student. Mr. Sharma feels very fortunate to be on the HESAA Board, and is looking forward to working with this Board and the Student Advisory Committee, to make the post-secondary process easier and more accessible to all of the students who seek it. He stated that this April he was humbled to have enough student support to be elected to the student government and is very excited to work with everyone.

Deputy Attorney General Geoffrey Stark swore-in Mr. Shyam Sharma.

Mr. Falcone advised that no members of the public registered to speak.

Mr. Falcone asked Roseann Sorrentino to call the roll.

CONSIDERATION OF THE MINUTES OF THE APRIL 23, 2015 MEETING

A motion to approve the minutes of the April 23, 2015 meeting was made by Dr. Jon Larson and seconded by Fr. Michael Braden. The minutes were approved unanimously with two abstentions, Ms. Jean McDonald Rash, and Shyam Sharma who did not participate in the April 23, 2015 meeting.

EXECUTIVE SESSION TO DISCUSS THE POSSIBLE LEASE OF REAL PROPERTY – DISCUSSION ONLY.

Chair Falcone announced that the Board would be entering a closed session pursuant to the Open Public Meeting Act, N.J.S.A. 10:4-12b.(5) and then re-entering Open Session. He advised members of the public to wait in the lobby for the Board to re-enter Open Session and act on Resolution 11:15.

The closed session was to discuss matters involving the lease of real property with public funds, which according to the Open Public Meetings Act is permitted for closed session discussion. Details of the closed session will be available to the public upon execution of a lease or the Board’s decision not to move forward.

George Garcia called in to the meeting at this time.

A motion to approve entering into executive session was made by Ms. Maria Torres and seconded by Fr. Michael Braden. The motion passed unanimously.

The Board entered Closed Session at 10:08 am and reentered Open Session at 10:22 am.

RESOLUTION 11:15 AUTHORIZING HESAA STAFF TO EXECUTE A LEASE FOR REAL PROPERTY

Greg Myer recommended the Board approve Resolution 11:15.

A motion to approve Resolution 11:15 was made by Mr. James Allen and seconded by Ms. Audrey Bennerson. The motion passed unanimously.

Maria Torres made the following presentation to the Board.

In accordance with Article V of the Bylaws of the Higher Education Student Assistance Authority, the Chairperson appointed Kathleen Flynn, Jean McDonald Rash and myself to the Nominating Committee to nominate a Chairperson and Vice Chairperson from among the public members of the Authority Board and two additional members of the Executive Committee, one from among the public members of the Board and one from among the institutional members of the Board. The bylaws include the State Treasurer or designee and the Executive Director as members of the Executive Committee, with the Executive Director serving as Secretary/Treasurer. Accordingly, Chris McDonough, as Treasurer’s Designee is a member of the Executive Committee, and Executive Director Gabrielle Charette will serve as Secretary/Treasurer of the Executive Committee.

The Nominating Committee met on June 2, 2015 and recommends electing Anthony Falcone as Chairperson, Christy Van Horn as Vice Chairperson, James Allen as a member of the Executive Committee representing public members and Dr. Jon Larson as a member of the Executive Committee representing institutional members, for fiscal year 2016.

A motion to approve Resolution 12:15 was made by Mr. Bader Qarmout and seconded by Mr. Luis Padilla. The motion passed unanimously.

Ms. Torres thanked the Board for what they do to help students and families. She stated that Board members are really unpaid servants and expressed her appreciation for everyone’s service.

RESOLUTION 13:15 ADOPTING A TUITION AID GRANT AWARD TABLE FOR ACADEMIC YEAR 2015-2016

Larry Sharp presented Resolution 13:15 to the Board.

In accordance with the provisions of the TAG program statute and subject to the limits of the Fiscal Year (FY) 2016 Appropriations Act, this action will establish a table of full-time TAG awards for the upcoming academic year.

During FY 2015, application volume decreased slightly by approximately 2,000 applications. While application volume decreased, the number of awards increased. Approximately 74,476 students received full-time TAG awards in 2014-2015, compared to 73,240 students in 2013-2014, an increase of nearly 1.7%. Also, during FY 2015, there were significant increases in the number of students eligible for the maximum award in every sector.

In the State College/University Sector an additional 516 students were eligible for the maximum award, for unanticipated costs of more than $2.8 million.
In the Independent College/University Sector an additional 358 students were eligible for the maximum award, for unanticipated costs in excess of $4.2 million.

In the Public Research Sector an additional 541 students were eligible for the maximum award, for unanticipated costs of $4.9 million.

Largely due to the above-outlined increases in the number of students eligible for maximum award, FY 2015 year-end expenditures for the Full-Time TAG Program were approximately $368 million which was $12.4 million above the appropriation. The $12.4 million in additional expenditures were covered by a supplemental appropriation as provided for in budgetary footnote language in the FY 2015 Appropriations Act, institutional refunds received after July 31, 2014, carry-forward balances, and available program balances.

On June 26, 2015, Governor Christie signed the FY 2016 Appropriations Act, which includes an appropriation of $385.830 million for the Full-Time TAG Program. Language in the FY 2016 Appropriations Act outlines the following requirements for full-time TAG award levels and program participation:

- Provide TAG awards to all qualified applicants at levels not to exceed 2% above those levels provided by HESAA in FY 2015.

- Participation in the TAG program is limited to institutions that previously participated in the program, or had applied in writing to HESAA to participate in the TAG program prior to September 1, 2009 and met all eligibility requirements prior to that date.

The FY 2016 Full-Time TAG appropriation is $385.830 million. As shown on Attachment B (included the board materials,) budgeted FY 2016 resources also include a State appropriation of $558,000 for part-time TAG for EOF students for total FY 2016 TAG resources of $386.388 million.

Pursuant to FY 2016 budgetary footnote language, unexpended balances re-appropriated to the TAG account shall be available to fund increases in the number of applicants qualifying for full-time TAG, to fund increases in award amounts, and to fund shifts in the distribution of awards that result in an increase in program costs. The budget also includes language appropriating such funds as are required as a result of these changes in program participation patterns.

The total FY 2016 resources are $386.388 million, which are sufficient to fund the Full-Time TAG Award Table for Academic Year 2015-2016 shown in Attachment B. This table is projected to fund 66,648 full-year equivalent awards, an increase of 2,000 awards above FY 2015 budgeted levels and reflects award values increased by approximately 1.5% above 2014-2015 levels for all students across sectors. The table also provides for approximately $1.78 million in unexpended funds (less than .5%) to recognize increased institutional recruitment and retention activities that are taking place at four-year public and private institutions.

It is recommended that the Board approve Resolution 13:15 Adopting a Tuition Aid Grant Award Table for Academic Year 2015-2016.
A motion to approve Resolution 13:15 was made by Fr. Michael Braden and seconded by Mr. Luis Padilla.

Bader Qarmout questioned the discrepancy between the amount of the appropriation and the amount in the TAG table. Gene Hutchins explained that the TAG table incorporated the $558,000 appropriated for part-time TAG for EOF students.

Father Braden expressed gratitude to the Governor, Legislature and HESAA staff for making this program possible again this year.

The motion passed unanimously.

RESOLUTION 14:15 ADOPTING A PART-TIME TUITION AID GRANT AWARD TABLE FOR COUNTY COLLEGES FOR ACADEMIC YEAR 2015-2016

Larry Sharp presented Resolution 14:15 to the Board.

Resolution 14:15 will establish a table of part-time TAG county colleges award values for the 2015-16 academic year, in accordance with the provisions of the Fiscal Year (FY) 2016 Appropriations Act.

During the 2014-2015 academic year, 9,807 students received Part-Time TAG awards totaling $8.4 million. This is a decrease of less than 1% compared to the number of 2013-2014 awards.

The awards on the FY 2015-2016 Part-Time TAG Award Table shown in Attachment A included in your board materials are based on the 2015-2016 full-time TAG award table and are pro-rated to one-half and three-quarters of the full-time semester award. That is, awards for eligible students enrolled for 6 to 8 credits reflect 50% of a full-time semester award while awards for eligible students enrolled for 9 to 11 credits reflect 75% of a full-time semester award. Current projections indicate that the $8,737,000 appropriation will fund the Part-Time TAG Award Table shown in Attachment B. This budget allows for an additional 200 awards above FY 2015 end-of-year awards.

As with full-time TAG, language in the FY 2016 Appropriations Act permits HESAA to retain the unexpended balances in the Part-Time TAG for County Colleges Program. These funds serve as a contingency for unanticipated increases in the number of applicants qualifying for Part-Time TAG for County Colleges awards, to fund increases in award amounts and to fund shifts in the distribution of awards that result in an increase in program costs.

It is recommended that the Board approve Resolution 14:15 Adopting Attachment A as the Part-Time TAG for County Colleges Award Table for Academic Year 2015-2016.

A motion to approve Resolution 14:15 was made by Dr. Jon Larson and seconded by Ms. Maria Torres.

Dr. Larson thanked the Governor, Legislature and HESAA staff for doing a great job. He stated that this program is very important to county college students.

The motion passed unanimously.
RESOLUTION 15:15 APPROVAL OF HESAA’S FY 2016 ADMINISTRATIVE BUDGETS

Dr. Jon Larson presented this item to the Board.

HESAA staff met with the Board Budget Committee to discuss proposed FY 2016 administrative revenue and expenditure budgets and the capital budget.

HESAA Operating Budgets

HESAA administrative revenues projected for FY 2016 total $28.6 million, an increase of $0.271 million or 1.0% above FY 2015 levels broken down as follows:

- $8.6 million under its Guaranty Agency Agreements with the federal government;
- $1.1 million in Guaranty Agency Operating Fund (GAOF) reserves out of a fund balance of approximately $24 million;
- $14.9 million for the origination and servicing of NJCLASS loans; and
- $4.9 million from fees and interest earnings related to the NJBEST Program.

HESAA’s administrative expenditure budget for FY 2016 totals $28.6 million which is an increase of $0.6 million or 2.0% from the FY 2015 budget. Highlights of the expenditure budgets include:

Ten critical vacancies in the loans servicing area, the grants and scholarships office, finance, and information services will be filled. These positions will strengthen the operations of these offices and help ensure that the HESAA program maintain high levels of customer service. During the past year, HESAA had 12 retirements in addition to the 27 positions that had been held vacant at the beginning of FY 2015.

These new hires will help ensure that HESAA is able to maintain a core group of long-term experienced staff to administer its programs. The new staff in combination with the negotiated salary increases and anticipated increases in fringe benefit costs will generate salary and fringe cost increases of 5.5%.

A temporary personnel budget of $3.8 million will give the agency the ability to meet peak program demands, particularly as all calls to customers will be required to be manually-dialed under the latest Federal Communication Commission rules that are in the process of being issued under the federal Telephone Consumer Protection Act.

Cost savings totaling $0.3 million will result from the following initiatives in the budget:

- The implementation of electronic bill presentation which allows borrowers to make more immediate payments, will reduce postage, printing and labor costs; and
A document imaging system and additional self-service functionality of our website for all of our programs will continue to generate similar annual administrative savings.

The new lease will have reduced overall space and lower square footage costs as described earlier, will generate savings of $126,000 in FY 2016, which will increase the in the out-years.

Capital Budget

The expenditure budget for the capital programs is $2.0 million, an increase of $38,000, or 2% over the FY 2015 capital budget.

The major expenditures for next year include:

The first of two installments for replacement furniture for the move into our newly renovated office space;

Replacement of our antiquated Grants and Scholarship system;

Continued enhancement of the NJCLASS loan application and servicing platform software;

Wireless access throughout our buildings; and

Virtual servicer capacity expansion.

With increasing amounts of data and media being transported over the web, it is critical that HESAA make these investments to continue to adequately serve students, families and institutions and to deliver services.

The Board Budget Committee recommends that the full Board approve the proposed administrative and capital budgets for FY 2016.

A motion to approve Resolution 15:15 was made by Mr. Bader Qarmout and seconded by Mr. Luis Padilla.

Ms. Van Horn asked if HESAA could end the manual dialing process if applicants granted permission to call their cell phone in their applications. Marnie Grodman explained that HESAA receives initial permission to call cell phones in loan applications but that HESAA remains liable for TCPA violations even if not notified of changes to cell plans and numbers. Gene Hutchins advised that HESAA is working on a database of phone numbers and permissions granted by borrowers. He further advised that borrowers will be required to update their information periodically on HESAA’s website, once the database is complete.

The motion passed unanimously.

Mr. James Allen commented that this budget was a job well done.
RESOLUTION 16:15 READOPTING PRIMARY CARE PRACTITIONER LOAN REDEMPTION PROGRAM N.J.A.C. 9A:16

Chair Falcone announced that Sharon Bryant, Loan Redemption Program Director, planned on being at the meeting to give a presentation on the Primary Care Practitioner Loan Redemption Program but, due to a bad fall she sustained over the weekend, she was unable to attend but will attend the October meeting.

Marnie Grodman, Esq., presented Resolution 16:15 to the Board.

The regulations governing the Primary Care Practitioner Loan Redemption Program were scheduled to expire on May 16, 2015. At its February 17, 2015 meeting the HESAA Board approved the proposed readoption of N.J.A.C. 9A:16 with amendments. The amendments reflect the statutory transfer of all of the rights of the UMDNJ dental school to Rutgers, the change in name from the Department of Health and Senior Services to the Department of Health and the clarification that the loan distribution form participants submit annually is not an application.

The proposed readoption was published in the April 6, 2015 New Jersey Register and HESAA received multiple comments, as enumerated in the Board materials. In responding to the comments, HESAA consulted with Sharon Bryant and her team at Rutgers Biomedical and Health Sciences, who are administering this program on HESAA’s behalf.

Many of the comments required no changes to the initial proposal, as the commenters requested changes that conflicted with the statutory language. However, two of the requested changes will be accepted upon adoption. Specifically, the regulations did not reflect current practice with regards to residency. The statute requires participants to be residents of New Jersey. The regulation had been worded to require potential participants to be New Jersey residents upon application to the program. Upon adoption, the regulation will be amended to clarify that a potential participants are permitted to apply for the program before they move to New Jersey. Similarly, the regulations are being amended upon adoption to clarify that potential participants are able to apply for the program in anticipation of receiving their license. Both of these changes change can be made upon adoption because the purpose of the language is to clarify the proposal by aligning it to current practice, and because the changes do not significantly enlarge or curtail the scope of the rule or those who are affected by it.

The proposed modifications to the proposal are included in the Board materials.

It is recommended that the Board approve the attached Resolution 16:15 Approving the Readoption with Amendments of Regulations Governing the Primary Care Practitioner Loan Redemption Program, N.J.A.C. 9A:16. Upon approval the Readoption will be published in the New Jersey Register and will sunset in seven years.

A motion to approve Resolution 16:15 was made by Ms. Audrey Bennerson and seconded by Mr. James Allen.

Bader Qarmout asked whether the regulations specified citizenship requirements. Ms. Grodman explained that the requirements come from the statute.
CHIEF COMPLIANCE OFFICER'S REPORT

Michael J. McCulley, Esq., Chief Compliance Officer presented the attached power point to the Board.

Bader Qarmout commented that the low number of complaints received show what a great job staff is doing with its programs. He asked for clarification as to what it means to simply close a complaint. Mr. McCulley explained that HESAA does not customarily use this response; however it could come up if the agency works with the CFPB and the CFPB administratively closes a complaint. Mr. McCulley explained that HESAA most often uses “closed with explanation,” “closed with non-monetary relief,” and “closed with non-monetary relief,” and provided an example of when each would be used.

Anthony Falcone commented on the excellent job done by the HESAA team.

Maria Torres added that she saw first-hand the helpfulness of the HESAA team. She related that when applying for a NJCLASS loan for her granddaughter she had cause to call HESAA with questions. She called in three separate times and did not identify herself as a Board member. The people she spoke to were knowledgeable and respectable. They very carefully verified her identity which made her feel very secure. Ms. Torres advised that she believes HESAA receives so few complaints because HESAA’s staff is very well trained and are very sensitive when dealing with the public. Ms. Torres advised that this experience made her very proud to be a member of HESAA’s Board.

EXECUTIVE DIRECTOR’S REPORT

Executive Director Gabrielle Charette gave the following report:

Thank you Chairman Falcone, members of the Board, guests.

June was an exceptionally busy and productive month at HESAA.

On the 17th, I testified before the New Jersey College Affordability Study Commission. Created by statute, the Commission is comprised of 10 members appointed by the Governor, Senate President and Speaker of the General Assembly. Members include college and university presidents and faculty, as well as public and student representatives. The Commission is generally charged with examining issues and developing recommendations to increase the affordability of higher education in New Jersey, and specifically charged with looking at the NJBEST and NJCLASS programs. Given this specific charge, I focused my presentation on those two HESAA programs. A copy of the presentation is included in your handouts. Commission members were highly engaged in the presentation and asked a number of insightful questions. Commission Chairman Frederick Keating – who is also President of Rowan College at Gloucester County – and I agreed to continue our dialogue as the Commission progresses through its work over the course of the next 15 months. Those interested in the work of the Commission can listen online to the panel’s public hearings in their entirety at njleg.org.

Also last month, we closed another successful bond sale for our NJCLASS product. I am very pleased to announce that our three fixed-rate products – our 10-year, 15-year and 20-year loans –
all carry lower interest rates this year. Our 10-year rate is going from 5.99% to 4.99%; our 15-
year rate is going from 6.95% to 6.20% and our 20-year rate is going from 8.4% to 7.85%. 
While we are not at all competitive, I should note that the interest rate for the federal Parent 
PLUS loan for academic year 2015-2016 is 6.84% and has a 4.292% origination fee, compared 
to NJCLASS's origination fee of 3.0%.

These lower rates will provide students and families with significant savings over the life of their 
loans. We put out a press release to publicize this good news and were honored with a quote 
from the Governor for inclusion in our announcement.

Speaking of NJCLASS, in keeping with our continued efforts to maximize resources, enhance 
customer service, and automate as much as possible, last month we successfully launched online 
bill presentment. A few years ago, we launched the option of online bill payments so that 
borrowers could log in and pay their monthly bill online. Monthly statements, however, 
continued to be sent by postal mail. Now our NJCLASS borrowers have the option of receiving 
notice by email that their monthly statement is ready for payment and can be viewed online. So 
far a number of borrowers have opted to take advantage of this paperless process. As of Monday 
the number was 3,528.

Since it is summer, our summer intern program is once again in full swing. We have 13 interns 
with us this year, seven of whom were also with us last summer. While they are all doing great 
work, I would like to introduce you to three who are new to us this year.

Ewing resident Robert Leonard, an accounting major in his senior year at Loyola University, is 
working in our Finance and Accounting Department. Robert receives rave reviews from his 
supervisors for his careful and accurate performance of three-way reconciliations, and 
preparation of spending schedules and payment posting reports.

Laura Cranwell a Howell resident is going into her sophomore year at Stockton University where 
she is majoring in Communications. Working for the Chief Compliance Officer and 
Ombudsman, Laura has been busy going through all the federal regulations that apply to HESAA 
and building a centralized regulatory compliance data base to help ensure that we are never out 
of step with federal law.

Melissa Loo, a Plainsboro resident is going into her junior year at Rutgers where she is a 
business major. Working in Client Services for the Customer Care Center, Melissa is fielding 
phone calls, researching constituent inquiries and assisting in updating the Unit's policy and 
procedures manual.

Thank you.

NEW BUSINESS

Gabrielle Charette presented a resolution to the exiting Student Advisory Committee Vice Chair, 
Kathleen Flynn, for her service and dedication to the Higher Education Student Assistance 
Authority Board. The resolution will be noted in all the official records of the Authority and 
appended to these Minutes.
ADJOURNMENT

Mr. Falcone announced that after adjourning this Board Meeting the Board will enter a closed session, pursuant to the Open Public Meetings Act, to discuss pending litigation and provide a compliance update. This will be a closed session pursuant to N.J.S.A. 10:4-12b(6) and (7) discussing matters that fall under the attorney-client privilege and to discuss tactics and techniques used to protect the financial records of the public. Details of the discussion pertaining to pending litigation can be disclosed to the public upon the conclusion of the litigation.

He advised that the next regularly scheduled Board meeting is Thursday October 22, 2015 at 10:00 am and the audit committee would be meeting immediately following the current meeting.

A motion to adjourn and go to closed session was made by Mr. Bader Qarmout and seconded by Mr. Luis Padilla. The motion passed unanimously.

The meeting adjourned at 11:11 am.
MEMORANDUM

TO: Board Members, Higher Education Student Assistance Authority

THROUGH: Gabrielle Charette, Esq.
Executive Director

FROM: Greg Myer
Chief of Staff

SUBJECT: Resolution 11:15 Authorizing HESAA Staff to Execute a Lease for Real Property

DATE: July 23, 2015

Background

The Higher Education Student Assistance Authority (HESAA) has the opportunity to reduce its annual rental expense and upgrade its facilities with minimal up-front cost and disruption to its business operations.

HESAA has been located in Quakerbridge Plaza since 1980. It occupies its current space through a long-term master lease between the Department of the Treasury and the landlord. This lease has contractually specified rental rates with built-in increases that currently require HESAA to pay rent at a higher rate than what is available in the commercial market. Also, HESAA’s staffing needs have decreased and it currently has more space than needed.

Management has negotiated a new lease directly with the landlord, George Comfort & Sons, Inc. The new lease reduces HESAA’s total space from 44,610 square feet to 40,813 square feet, a reduction of almost 4,000 square feet. The rental rate is reduced by $2.76 per square foot in the first year, from $14.76 per square foot to $12.00 per square foot, a 19 percent reduction.

Under the terms of the new lease, Buildings 1 and 2 will be completely renovated to HESAA’s design specifications. Building 4 will be partially renovated to accommodate a new customer entrance and selected offices and conference rooms will be reconfigured. Additionally, restrooms will be upgraded, new energy efficient lighting will be installed throughout, and all interior walls will be painted. These improvements will be done at no cost to HESAA.
Over the life of the 11 year lease, the projected net savings to HESAA is $1.4 million. The projected $665,000 investment for new cubicles and security controls will be offset in part by six months free rent valued at $245,000 under the terms of the new lease. The recovery period for the transition expenses is 23 months.

Attached is a matrix of the major terms and provisions of our current lease and how they compare to our proposed lease.

Please be advised that pursuant to N.J.S.A. 18A:71A-10 and N.J.S.A. 52:34-9(c), HESAA is not required to go out to bid for the lease of office space.

**Recommendation**

It is recommended that the Board approve Resolution 11:15, authorizing the Executive Director to enter into a lease substantially in the form attached to the resolution, with any changes, insertions or omissions as may be approved by the Executive Director for new and renovated office space at a cost not to exceed $12 million over eleven years.

Attachments
RESOLUTION 11:15
AUTHORIZING HESAA STAFF TO EXECUTE A LEASE FOR REAL PROPERTY

Moved by: Mr. James Allen
Seconded by: Ms. Audrey Bennerson

WHEREAS: The Higher Education Student Assistance Authority (HESAA) currently occupies three separate buildings occupying 44,610 square feet at Quakerbridge Plaza; and

WHEREAS: HESAA requires less space as its staffing needs have decreased; and

WHEREAS: HESAA can enter a new lease directly with the landlord, George Comfort & Sons, Inc. for 40,813 square feet; and

WHEREAS: The rental rate will be reduced by $2.76 per square foot in the first year, from $14.76 per square foot to $12.00 per square foot, a 19 percent reduction; and

WHEREAS: Over the life of the 11 year lease, the projected net savings to HESAA is $1.4 million; and

WHEREAS: Pursuant to N.J.S.A. 18A:71A-10 and N.J.S.A. 52:34-9(c) the lease of office space is not required to go out to bid.

NOW THEREFORE, LET IT BE:

RESOLVED: That the Board authorizes HESAA’s Executive Director, to enter into a lease substantially in the form attached to the resolution, with any changes, insertions or omissions as may be approved by the Executive Director for new and renovated office space at a cost not to exceed $12 million over eleven years.

July 23, 2015
Comparison of Current Lease and Proposed Lease

Major Provisions

<table>
<thead>
<tr>
<th></th>
<th>Current Lease</th>
<th>Proposed Lease</th>
<th>Savings</th>
</tr>
</thead>
<tbody>
<tr>
<td>Term</td>
<td>6/30/21</td>
<td>2026</td>
<td></td>
</tr>
<tr>
<td>Total square feet</td>
<td>44,610</td>
<td>40,813</td>
<td>3797 sq. ft.</td>
</tr>
<tr>
<td>Cost per square foot</td>
<td>2015 – $14.76</td>
<td>2015 – $12.00</td>
<td>2015 – $2.76/sq. ft.</td>
</tr>
<tr>
<td></td>
<td>2026 – $17.40 (est)</td>
<td>2026 – $15.74</td>
<td>2026 – $1.66/sq. ft.</td>
</tr>
<tr>
<td>Total Rent Expense</td>
<td>$12.3 million</td>
<td>$10.5 million</td>
<td>$1.8 million</td>
</tr>
<tr>
<td>Net Rent Expense Savings</td>
<td></td>
<td></td>
<td>$1.4 million</td>
</tr>
<tr>
<td>Building Occupancy</td>
<td>Buildings 2, 4, 6</td>
<td>Buildings 1, 2, 4</td>
<td></td>
</tr>
<tr>
<td>Building Improvements</td>
<td>none</td>
<td>Buildings 1 and 2 –</td>
<td>No cost to HESAA</td>
</tr>
<tr>
<td>provided by Landlord</td>
<td></td>
<td>complete interior</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>renovation according to</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>agency’s specifications</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Building 4 – new customer entrance; paint all walls; reconfigure some offices and conference rooms; renovate bathrooms.</td>
<td>No cost to HESAA</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Install energy-efficient lighting throughout.</td>
<td>No cost to HESAA</td>
</tr>
<tr>
<td></td>
<td></td>
<td>CAT 6 wiring (for new phone system)</td>
<td>No cost to HESAA</td>
</tr>
<tr>
<td>Early Termination</td>
<td>Yes 15-month notice</td>
<td>Option to sublet; can assign to another State entity</td>
<td></td>
</tr>
<tr>
<td>Dedicated Parking Spaces</td>
<td>10</td>
<td>12</td>
<td></td>
</tr>
</tbody>
</table>
RESOLUTION 12:15

ELECTING A CHAIRPERSON, VICE CHAIRPERSON AND TWO MEMBERS OF THE EXECUTIVE COMMITTEE

Moved by: Mr. Bader Qarmout
Seconded by: Mr. Luis Padilla

WHEREAS: In accordance with Article V of the Bylaws of the Higher Education Student Assistance Authority, the Chairperson appointed a Nominating Committee to nominate a Chairperson and Vice Chairperson from among the public members of the Authority Board and two additional members of the Executive Committee, one from among the public members of the Board and one from among the institutional members of the Board; and

WHEREAS: The Bylaws include the State Treasurer or designee and the Executive Director as members of the Executive Committee; and

WHEREAS: The Nominating Committee recommends the election of members, as Chairperson, as Vice Chairperson, as a member of the Executive Committee representing institutional members, and as a member of the Executive Committee representing public members.

NOW THEREFORE, BE IT:

RESOLVED: That the Higher Education Student Assistance Authority Board elects Anthony Falcone as Chairperson, Christy Van Horn as Vice Chairperson, James Allen as a member of the Executive Committee and Dr. Jon Larson as a member of the Executive committee for terms of one year, and recognizes the State Treasurer's Permanent designee, Chris McDonough, and Gabrielle Charette, Esq., Executive Director, ex-officio as members of the Executive Committee.

July 23, 2015
MEMORANDUM

TO: Members, Higher Education Student Assistance Authority

THROUGH: Gabrielle Charette, Esq.
Executive Director

FROM: Larry Sharp
Director, Grants and Scholarships

SUBJECT: Resolution 13:15 Adopting a Full-Time Tuition Aid Grant Award Table for Academic Year 2015-2016

DATE: July 23, 2015

Summary

Attached for your review, comment, and approval is Resolution 13:15, Adopting a Full-Time Tuition Aid Grant Award Table for Academic Year (AY) 2015-2016. In accordance with the provisions of the TAG program statute and subject to the limits of the Fiscal Year (FY) 2016 Appropriations Act, this action will establish a table of full-time Tuition Aid Grant (TAG) award values for the upcoming academic year.

On June 26, 2015, Governor Christie signed the FY 2016 Appropriations Act, which includes an appropriation of $385,830,000 for the Full-Time TAG Program.

Language in the FY 2016 Appropriations Act outlines the following requirements for full-time TAG award levels and program participation:

- Provide TAG awards to all qualified applicants at levels not to exceed 2.0% of those levels provided by the Higher Education Student Authority (HESAA) in FY 2015.

- Participation in the TAG program is limited to institutions that previously participated in the program, or had applied in writing to HESAA to participate in the TAG program prior to September 1, 2009 and met all eligibility requirements prior to that date.

Background

The TAG Program is New Jersey's premier need-based assistance program for college students.
Established by statute in 1978, the program covers a portion of tuition charges each academic year and helps keep higher education accessible and affordable for TAG-eligible, full-time undergraduates who attend public and non-public higher education institutions in New Jersey.

The purpose of the TAG Program is to reduce or eliminate the tuition component of the cost of attending college for students who demonstrate financial need. The Governor and the Legislature have been very supportive over the years in providing funding for TAG. Historically, the program has attempted to reach the maximum award levels authorized in statute, which provide awards up to full tuition at public institutions and awards up to 50 percent of the average tuition at non-public colleges and universities, to students demonstrating the highest financial need. In addition, partial awards are provided to other needy students to help offset tuition.

Each year in July, prior to the start of the academic year, HESAA establishes a table of TAG award values based on application volume, projected demand and available funds. The July time frame for adoption of award amounts by the Board is essential to notify students and institutions of TAG award values prior to payment of fall semester bills.

Expenditure estimates for TAG are based on several variables, including a projection of the number of full-year (“annualized”) awards for both renewal and new students. HESAA must estimate how many new eligible students will apply by the October 1 deadline for the fall 2015 semester and by the March 1 deadline for the spring 2016 semester and project the cost of these awards. While it is necessary to provide this information to the Board in July, it is a challenge to do so at this point in the award cycle, given the uncertainty in student attendance, shifts in enrollment patterns among the sectors and changes in financial need. Estimates must take into account early applicants who may or may not attend college in the fall and applicants who have not yet applied.

The reliability of the expenditure projections increases as more applications are processed. Accordingly, renewal students must file their applications by June 1. By the end of June, the time frame used for the projections discussed here, applications have been received from renewal TAG recipients as well as a substantial percentage of new applicants.

The structure of the TAG award table is based on a numeric New Jersey Eligibility Index (NJEI) that represents the relative dollar amount the student and family are expected to be able to contribute toward college costs, as determined through a uniform need analysis methodology. The evenly spaced categories representing NJEI ranges on the award table are referred to as “cells.” Each succeeding cell increases by 1000 points on the scale.

Students demonstrating the highest need are those in the first cell with an NJEI under 1500. In 2014-2015, nearly 40% of all TAG recipients were in this cell. It is expected that these students and their families are able to pay less than $1,500 toward college costs. Therefore, they are eligible for the maximum award amount. Students with NJEIs in subsequent cells are eligible for proportionately lower awards that decrease as the family’s calculated ability to contribute to educational expenses increases.

**Review of FY 2015 Expenditures**

During FY 2015, while application volume decreased slightly by over 2,000 to 542,258 applications, awards increased. Records show that 74,476 students (64,139 full-year equivalent awards) received
full-time TAG awards in 2014-2015, compared to 73,240 students (62,911 full-year equivalent awards) in 2013-2014, an increase of nearly 1.7%.

The FY 2015 year-end expenditures for the Full-Time TAG Program were approximately $368,107,000 million – nearly $12.4 million above the appropriation. The $12.4 million was covered by an additional appropriation of $11 million, institutional refunds received after July 31, 2014, carry-forward balances, and available program balances.

**FY 2016 Available Funds and Projected Award Volume**

The FY 2016 TAG appropriation of $385,830,000 is $30.669 million higher than the original FY 2015 State appropriation, an increase of 8.6%. This is an extraordinary commitment of State funds in a year when New Jersey faced budget limitations. This increase includes the $11 million supplemental funds needed in FY 2015, funds to reflect anticipated award increases of 2,000 new awards, and an increase of 1.5% above 2014-15 award values for all NJEI cells.

Attachment B shows the FY 2016 Full-Time TAG appropriation and includes the State appropriation of $558,000 for part-time students eligible to receive TAG awards under the EOF Part-Time Program.

Pursuant to FY 2016 budgetary footnote language, unexpended balances re-appropriated to the TAG account from FY 2015 shall be available to fund increases in the number of applicants qualifying for TAG, to fund increases in award amounts, and to fund shifts in the distribution of awards that result in an increase in program costs. The budget also includes language appropriating such funds as are required as a result of these changes in program participation patterns.

The total FY 2016 resources are $386,388,000, which are sufficient to fund the Full-Time Tuition Aid Grant Award Table for Academic Year 2015-2016 shown in Attachment B. This table is projected to fund 66,048 full-year equivalent awards, an increase of 2,000 over FY 2015. The table also provides for approximately $1.78 million in unexpended funds (less than .5%) to recognize increased institutional recruitment and retention activities that are taking place at four-year public and private institutions.

The Full-Time TAG Award Table was constructed as follows:

- Awards at all sectors for all students were increased approximately 1.5% above 2014-2015 award values.

Approximately 39.6% of award recipients qualify for maximum awards and are expected to receive over $185 million – an increase of nearly $8.0 million over FY 2015.

**Recommendation**

It is recommended that the Board approve Resolution 13:15 Adopting Attachment A as the Full-Time Tuition Aid Grant Award Table for Academic Year 2015-2016.

Attachments (3)
RESOLUTION 13:15

ADOPTING A FULL-TIME TUITION AID GRANT AWARD TABLE
FOR ACADEMIC YEAR 2015-16

Moved by: Fr. Michael Braden
Seconded by: Mr. Luis Padilla

WHEREAS: N.J.S.A. 18A:71B-21 authorizes the Higher Education Student Assistance Authority (HESAA) to establish a table of full-time award values for Tuition Aid Grants (TAG) based on financial need for the grant, tuition levels, projected number of eligible students, and available funding; and

WHEREAS: The FY 2016 line-item appropriation for full-time TAG of $385,830,000 and Part-Time TAG for EOF Students of $558,000 total $386,388,000 in FY 2016 TAG resources; and

WHEREAS: Language in the Appropriations Act stipulates the following:

- Provide TAG awards to all qualified applicants at levels not to exceed 2% above those levels provided by the Higher Education Student Assistance Authority in FY 2015.
- Participation in the TAG program is limited to institutions that previously participated in the program, or had applied in writing to the Higher Education Student Assistance Authority to participate in the TAG program prior to September 1, 2009 and met all eligibility requirements prior to that date; and

WHEREAS: Budgeted FY 2016 resources also include unexpended balances reappropriated to the TAG account to be held as a contingency for unanticipated increases in the number of applicants qualifying for full-time TAG awards, to fund increases in award amounts, and to fund shifts in the distribution of awards that result in an increase in program costs; and

WHEREAS: The FY 2016 Appropriations Act provides for such sums as are required to cover the costs of increases in the number of applicants qualifying for full-time TAG awards or to fund shifts in the distribution of awards that result in an increase in total program costs, subject to the approval of the Director of the Division of Budget and Accounting.
NOW THEREFORE BE IT:

RESOLVED: That the Higher Education Student Assistance Authority hereby adopts the attached Full-Time TAG Award Table for AY 2015-2016 (Attachment A); and be it further

RESOLVED: That the attached Full-Time TAG Award Table for AY 2015-2016 pertains to New Jersey institutions that are licensed and were approved for participation in the State grant program as of September 1, 2009; and be it further

RESOLVED: That the Higher Education Student Assistance Authority wishes to thank and commend Governor Christie and the Legislature for their continued commitment to higher education access and affordability for all New Jersey citizens.

July 23, 2015
### STATE OF NEW JERSEY

higher education student assistance authority

full-time tuition aid grant (tag) award table for 2015-16

<table>
<thead>
<tr>
<th>New Jersey Eligibility Index (NJEI)</th>
<th>County Colleges $^2$ Average</th>
<th>State Colleges $^2$ Average</th>
<th>Independent Non-Public $^3$ Award Value</th>
<th>Rutgers Award Value</th>
<th>Rowan Award Value</th>
<th>NJIT Award Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Under 1500</td>
<td>$2,628</td>
<td>$6,958</td>
<td>$12,196</td>
<td>$9,284</td>
<td>$7,922</td>
<td>$10,772</td>
</tr>
<tr>
<td>1500-2499</td>
<td>2,288</td>
<td>6,090</td>
<td>10,340</td>
<td>8,234</td>
<td>6,972</td>
<td>9,328</td>
</tr>
<tr>
<td>2500-3499</td>
<td>1,982</td>
<td>5,158</td>
<td>9,096</td>
<td>7,332</td>
<td>5,902</td>
<td>8,308</td>
</tr>
<tr>
<td>3500-4499</td>
<td>1,546</td>
<td>4,272</td>
<td>8,146</td>
<td>6,322</td>
<td>4,890</td>
<td>7,164</td>
</tr>
<tr>
<td>4500-5499</td>
<td>1,154</td>
<td>3,542</td>
<td>7,196</td>
<td>5,512</td>
<td>4,052</td>
<td>6,248</td>
</tr>
<tr>
<td>5500-6499</td>
<td>0</td>
<td>2,764</td>
<td>6,254</td>
<td>4,704</td>
<td>3,164</td>
<td>5,332</td>
</tr>
<tr>
<td>6500-7499</td>
<td>2,012</td>
<td>5,306</td>
<td>3,944</td>
<td>2,306</td>
<td>4,468</td>
<td></td>
</tr>
<tr>
<td>7500-8499</td>
<td>0</td>
<td>4,354</td>
<td>3,126</td>
<td>1,444</td>
<td>3,542</td>
<td></td>
</tr>
<tr>
<td>8500-9499</td>
<td>3,444</td>
<td>2,156</td>
<td>584</td>
<td></td>
<td>2,442</td>
<td></td>
</tr>
<tr>
<td>9500-10499</td>
<td>1,958</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

---

1. Approximate annual award values at institutions licensed and approved for participation in the TAG Program as of September 1, 2009. In accordance with State law, the value of a student’s grant may decrease depending on appropriated funds, actual tuition charges, cost of attendance, estimated family contribution, and other available resources.

2. For county and state college sectors, this table displays projected average award values across the respective institutions in the sector. The award values at a given institution may be higher or lower depending on the level of tuition.

3. Limited to approved programs of study at Berkeley College, DeVry University, Eastern International College and Eastwick College.
### FY 2016 TAG TABLE PROJECTION MODEL

2014-15 TAG Award Values Increased by 1.5%
Includes 2,000 New Awards - $384,606 M

<table>
<thead>
<tr>
<th>NJEI</th>
<th>ESTIM. AVERAGE</th>
<th>COUNTY</th>
<th>INCOME</th>
<th>STATE</th>
<th>NON-PUBLIC</th>
<th>ROWAN</th>
<th>RUTGERS/NJIT</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>FAMILY</td>
<td>BER</td>
<td>AVG. $ (000)</td>
<td>NUM</td>
<td>AWARD</td>
<td>FUNDS</td>
<td>BER</td>
<td>AVG. $ (000)</td>
</tr>
<tr>
<td>Under 1500</td>
<td>19,300</td>
<td>8,447</td>
<td>2,618</td>
<td>22,114</td>
<td>6,273</td>
<td>6,807</td>
<td>42,700</td>
<td>4,960</td>
</tr>
<tr>
<td>1500 - 2499</td>
<td>23,500</td>
<td>3,670</td>
<td>2,276</td>
<td>8,353</td>
<td>3,161</td>
<td>5,893</td>
<td>18,628</td>
<td>2,432</td>
</tr>
<tr>
<td>2500 - 3499</td>
<td>33,100</td>
<td>2,308</td>
<td>1,962</td>
<td>4,528</td>
<td>1,907</td>
<td>5,022</td>
<td>9,577</td>
<td>1,377</td>
</tr>
<tr>
<td>3500 - 4499</td>
<td>37,500</td>
<td>1,875</td>
<td>1,528</td>
<td>2,865</td>
<td>1,594</td>
<td>4,163</td>
<td>6,636</td>
<td>1,165</td>
</tr>
<tr>
<td>4500 - 5499</td>
<td>39,400</td>
<td>1,567</td>
<td>1,142</td>
<td>1,790</td>
<td>1,391</td>
<td>3,450</td>
<td>4,799</td>
<td>1,045</td>
</tr>
<tr>
<td>5500 - 6499</td>
<td>45,100</td>
<td>1,061</td>
<td>2,700</td>
<td>2,865</td>
<td>753</td>
<td>6,183</td>
<td>4,656</td>
<td>176</td>
</tr>
<tr>
<td>6500 - 7499</td>
<td>47,500</td>
<td>877</td>
<td>1,964</td>
<td>1,722</td>
<td>736</td>
<td>5,226</td>
<td>3,846</td>
<td>150</td>
</tr>
<tr>
<td>7500 - 8499</td>
<td>52,200</td>
<td>590</td>
<td>4,302</td>
<td>2,538</td>
<td>139</td>
<td>1,445</td>
<td>201</td>
<td>643</td>
</tr>
<tr>
<td>8500 - 9499</td>
<td>55,200</td>
<td>502</td>
<td>3,392</td>
<td>1,703</td>
<td>125</td>
<td>585</td>
<td>73</td>
<td>549</td>
</tr>
<tr>
<td>9500-10499</td>
<td>55,200</td>
<td>396</td>
<td>1,924</td>
<td>762</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

TOTAL |
17,867 | 2,219 | 39,650 | 16,264 | 5,345 | 86,927 | 13,956 | 9,123 | 127,315 | 2,730 | 5,614 | 15,326 | 15,231 | 7,576 | 115,388 | 66,048 | 5,823 | 384,606 |

FY 2016 TAG APPROPRIATION: $385,830
FY 2016 PT TAG/EOF APPROPRIATION: 558
FY 2016 TOTAL RESOURCES: $386,388

ESTIMATED FY 2016 MODEL COST: $384,606

ESTIMATED UNEXPENDED FUNDS: 1,782

REVISED 7/6/2015
MEMORANDUM

TO: Members, Higher Education Student Assistance Authority

THROUGH: Gabrielle Charette, Esq.
Executive Director

FROM: Larry Sharp
Director, Grants and Scholarships

SUBJECT: Resolution 14:15 Adopting a Part-Time Tuition Aid Grant for County Colleges Award Table for Academic Year 2015-2016

DATE: July 23, 2015

Summary

Attached for your review, comment, and approval is Resolution 14:15, Adopting a Part-Time Tuition Aid Grant for County Colleges Award Table for Academic Year (AY) 2015-2016. In accordance with the provisions of the Fiscal Year (FY) 2016 Appropriations Act, this action will establish a table of part-time Tuition Aid Grant (TAG) award values for the upcoming academic year.

Background

The Part-Time TAG for County Colleges Program was established during the 2003-2004 academic year to provide awards to county college students who demonstrate financial need and enroll for 6–11 credits.

As provided in the FY 2016 Appropriations Act, part-time awards shall be prorated against full-time awards within the limits of available appropriations as follows: eligible students enrolled for 6–8 credits receive 50 percent of the value of a full-time award, while students enrolled for 9–11 credits receive 75 percent of the full-time award value.
The Higher Education Student Assistance Authority (HESAA) establishes a table of part-time TAG award values each year in July based on the available appropriation and the anticipated number of part-time awards.

**Review of FY 2015 Expenditures**

During the 2014-2015 academic year, 9,807 students received awards totaling over $8.4 million. This is a decrease of less than 1% compared to the number of 2013-2014 awards.

**Available Funds and Projected Award Volume**

The FY 2016 Appropriations Act includes funding of $8.737 million for the Part-Time TAG for County Colleges Program.

Language in the FY 2016 Appropriations Act allows HESAA to retain the unexpended balances from FY 2015 in the Part-Time TAG for County Colleges Program. These funds serve as a contingency for unanticipated increases in the number of applicants qualifying for Part-Time TAG for County Colleges awards, to fund increases in award amounts and to fund shifts in the distribution of awards that result in an increase in program costs.

- The Part-Time TAG Award Table shown in Attachment A follows the same parameters used to construct the 2015-2016 full-time TAG award table. That is, the full-time TAG awards were increased by approximately 1.5% and then prorated by 50 or 75%.

Current projections indicate that the $8.737 million appropriation will fund the Part-Time TAG Award Table shown in Attachment B. This budget allows for an additional 200 awards above FY 2015 end-of-year awards.

**Recommendation**

It is recommended that the Board approve Resolution 14:15 Adopting Attachment A as the Part-Time Tuition Aid Grant (TAG) for County Colleges Award Table for Academic Year 2015-2016. Depending upon the student's NJEI, this table will provide awards ranging from a maximum of $657 to a minimum of $288 per semester for eligible students enrolled for 6-8 credits, and a maximum of $985 to a minimum of $432 for students enrolled for 9-11 credits.

Attachments (3)
RESOLUTION 14:15

ADOPTING A PART-TIME TUITION AID GRANT FOR COUNTY COLLEGES
AWARD TABLE FOR ACADEMIC YEAR 2015-16

Moved by: Dr. Jon Larson
Seconded by: Ms. Maria Torres

WHEREAS: The Part-Time Tuition Aid Grant (TAG) for County Colleges
Program was established effective AY 2003-2004 to provide
awards to financially needy county college students who enroll for
6-11 credits; and

WHEREAS: Pursuant to the Fiscal Year (FY) 2016 Appropriations Act, part-
time awards shall be prorated, within the limits of available
appropriations, against full-time awards as follows: eligible
students enrolled for 6-8 credits receive 50 percent of the value of
a full-time award, and students enrolled for 9-11 credits receive 75
percent of the full-time award; and

WHEREAS: The FY 2016 Appropriation for the Part-Time TAG for County
Colleges Program is $8.737 million; and

WHEREAS: The Part-Time TAG for County Colleges Award Table shown in
Attachment A was constructed following the parameters used to
develop the 2015-2016 Full-Time TAG Award Table as follows:

- Provide TAG awards to all qualified applicants at levels not to
  exceed 2% of those levels provided by the Higher Education
  Student Assistance Authority in FY 2015.

WHEREAS: Language in the Appropriations Act reappropriates unexpended
balances in the Part-Time TAG for County Colleges account to
serve as a contingency for unanticipated increases in the number of
applicants qualifying for Part-Time TAG for County Colleges
awards, to fund increases in award amounts and to fund shifts in
the distribution of awards that result in an increase in program
costs.

NOW THEREFORE BE IT:

RESOLVED: That the Higher Education Student Assistance Authority hereby
adopts the attached Part-Time Tuition Aid Grant (TAG) Award
Table for AY 2015-2016 (Attachment A); and be it further
RESOLVED: That the attached Part-Time TAG for County Colleges Award Table for AY 2015-2016 pertains to New Jersey County Colleges established pursuant to N.J.S.A. 18A:64A-1 et. seq. (and their programs of study) that are licensed and approved for participation in the State grant program as of September 1, 2009; and be it further

RESOLVED: That the Higher Education Student Assistance Authority wishes to thank and commend Governor Christie and the Legislature for their continued commitment to higher education access and affordability for all New Jersey citizens.

July 23, 2015
STATE OF NEW JERSEY  
HIGHER EDUCATION STUDENT ASSISTANCE AUTHORITY  
PART-TIME TUITION AID GRANT (TAG) FOR COUNTY COLLEGES AWARD TABLE FOR  
2015-2016*

<table>
<thead>
<tr>
<th>NJEI</th>
<th>1/2 Time Semester Award (6-8 credits)</th>
<th>3/4 Time Semester Award (9-11 credits)</th>
</tr>
</thead>
<tbody>
<tr>
<td>0-1499</td>
<td>$657</td>
<td>$985</td>
</tr>
<tr>
<td>1500-2499</td>
<td>572</td>
<td>858</td>
</tr>
<tr>
<td>2500-3499</td>
<td>495</td>
<td>743</td>
</tr>
<tr>
<td>3500-4499</td>
<td>386</td>
<td>579</td>
</tr>
<tr>
<td>4500-5499</td>
<td>288</td>
<td>432</td>
</tr>
</tbody>
</table>

* Awards pro-rated against 2015-16 full-time TAG county college sector awards.

NOTE: If the TAG award reflected above exceeds the student's actual tuition charges, the institution must reduce the TAG award to reflect actual tuition charges.

7/23/2015
## 2015-16 PART-TIME TAG FOR COUNTY COLLEGES PROGRAM

**FY 2016 Budget Estimate**

Part-Time Awards Pro-rated Against 2015-16 Full-Time County College Sector TAG Awards

No Increase In the Number of Awards

<table>
<thead>
<tr>
<th>NJEI</th>
<th>Est. # of 1/2</th>
<th>Est. Cost of 1/2</th>
<th>Est. # of 3/4</th>
<th>Est. Cost of 3/4</th>
<th>Est. # of All</th>
<th>Est. Total</th>
<th>Proj. Headcount</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Awards</td>
<td>1/2 Award Value</td>
<td>Awards</td>
<td>3/4 Award Value</td>
<td>Awards</td>
<td>Cost</td>
<td></td>
</tr>
<tr>
<td>0-1499</td>
<td>2,430</td>
<td>$657</td>
<td>2,957</td>
<td>$985</td>
<td>5,387</td>
<td>$4,509,155</td>
<td>4,306</td>
</tr>
<tr>
<td>1500-2499</td>
<td>1,225</td>
<td>572</td>
<td>1,323</td>
<td>858</td>
<td>2,548</td>
<td>1,835,834</td>
<td>2,007</td>
</tr>
<tr>
<td>2500-3499</td>
<td>822</td>
<td>495</td>
<td>904</td>
<td>743</td>
<td>1,726</td>
<td>1,078,562</td>
<td>1,349</td>
</tr>
<tr>
<td>3500-4499</td>
<td>712</td>
<td>386</td>
<td>819</td>
<td>579</td>
<td>1,531</td>
<td>749,033</td>
<td>1,195</td>
</tr>
<tr>
<td>4500-5499</td>
<td>724</td>
<td>288</td>
<td>703</td>
<td>432</td>
<td>1,427</td>
<td>512,208</td>
<td>1,114</td>
</tr>
<tr>
<td>Total</td>
<td>5,913</td>
<td>$539</td>
<td>6,706</td>
<td>$820</td>
<td>12,619</td>
<td>$8,684,792</td>
<td>9,970</td>
</tr>
</tbody>
</table>

**FY2016 APPROPRIATION**

8,737,000

**FY2016 MODEL COST**

8,684,792

52,208

7/6/2015
MEMORANDUM

TO: Members, Higher Education Student Assistance Authority Board

FROM: Dr. Jon Larson ♦
Member, Board Budget Committee

SUBJECT: Resolution 15:15 Board Approval of HESAA’s FY 2016 Administrative and Capital Budgets

DATE: July 23, 2015

As part of HESAA’s annual budget process, and to ensure the Board’s continued oversight of the programmatic and administrative activities of the Authority, on June 29, 2015 staff presented the FY 2016 administrative and capital budgets to the Board Budget Committee for its review and approval. The Budget Committee approved the budgets and is now recommending that the full Board approve these budgets through the attached resolution.

Background

HESAA structures its administrative expenditure and capital budgets in a summary presentation since the majority of HESAA’s operations have shared staffing and integrated services to maximize efficiency.

Revenue Budgets

In FY 2016 HESAA revenues and appropriated reserves will fully provide the resources required to pay for the expenditure budgets outlined below. These revenues include amounts earned under HESAA Guaranty Agency agreements with the federal government and from the administration of the NJCLASS and NJBEST programs, as well as the use of $1.1 million in Guaranty Agency Operating Fund (GAOF) reserves. HESAA administrative revenues projected for FY 2016 total $28.6 million, an increase of $0.271 million, or 1.0%, above FY 2015 levels as detailed in attached Schedule I. These revenues are broken down as follows:
Federal Student Loan Program Administration – HESAA is projected to earn $8.6 million under its Guaranty Agency Agreements with the federal government, a decrease of $0.347 million from the FY 2015 budget. This includes revenue earned from the collection of defaulted student loans, the rehabilitation of previously defaulted loans, the maintenance of existing loan guarantees, and the prevention of loans from going into default. The decreases in federal revenue result from continued amortization of HESAA’s federal student loan guaranty portfolio, decreased loan defaults, and associated decreases in defaulted loan collections. In addition, the budget allocates $1.1 million in appropriated reserves from the GAOF which will be used to continue public awareness and outreach activities and other services under our guaranty agency agreements with the USDE.

NJCLASS Program Administration – HESAA is anticipated to earn $14.9 million for the origination and servicing of NJCLASS loans, an increase of $0.2 million from FY 2015. HESAA retains 1% of the 3% origination fee charged to borrowers with the other 2% deposited to a Default Reserve within the NJCLASS Bond Trust Estates. HESAA also earns a servicing fee and an administrative fee from the Bond Trust Estate which are paid from the spread between the cost of capital and the loan rate, as required by the rating agencies. HESAA also retains revenue from the recovery of NJCLASS loans that have defaulted. NJCLASS revenue is increasing due to an increase of administrative fees on loans from the new bond fund to 40 basis points from 10 basis points in previous years, and an increase in the size of the portfolio. Revenue increases are partially offset by reduced application and servicing fees due to an anticipated slight reduction in the number of new NJCLASS loans.

NJBEST Administration – NJBEST revenue for FY 2016 is projected to total $4.9 million from fees and interest earnings related to the NJBEST trust for administration of the program. This amount is reduced by $0.8 million set aside for NJBEST scholarship obligations resulting in net revenues available for administration of $4.1 million, a decrease of $0.7 million from FY 2015. Fees to participants have been reduced as part of the new program services contract with Franklin Templeton, however the assets under management are expected to continue to grow from the current level of $4.7 billion.

Expenditure and Capital Budgets

Operating Expenditures – HESAA’s administrative expenditure budget for FY 2016 totals $28.6 million, which is an increase of $0.6 million or 2.0% from the FY 2015 budget as detailed in attached Schedule I. Budget increases are planned in salaries and wages, and services other than personnel, offset by decreases in materials and supplies, rent, and fringe benefit costs that are based on State assessments. The budget funds 151 HESAA positions and all non-salary costs associated with delivering State and Federal student assistance funds and services to over 1 million New Jersey residents each year. During FY 2015 we had 12 retirements and resignations in addition to the 27 positions held vacant at the beginning the fiscal year. Two positions have been refilled at lower
salary levels with the approval of the Governor’s office, and HESAA plans to fill 10 more of these positions in FY 2016 to fill critical vacancies in the loans servicing area, the grants and scholarships office, finance and information services. These positions will strengthen the operations of these offices and help ensure that HESAA maintains high levels of customer service.

The Authority utilizes its resources across all programs to increase efficiency and create flexibility to meet program peak demands. The primary changes to operating expenditures are:

- An increase of $0.6 million or 5.5% in the salary costs compared to FY 2015 as vacant operational positions will be filled as described above and inclusive of negotiated salary increases as well as anticipated increases in fringe benefit costs.

- A Temporary Personnel budget of $3.8 million will give the agency the ability to meet peak program demands, particularly as all calls to customers will be required to be manually dialed under the latest Federal Communication Commission rules that are in the process of being issued under the federal Telephone Consumer Protection Act.

- The implementation of electronic bill presentment, which allows borrowers to make more immediate payments, will reduce postage, printing and labor costs, and a document imaging system, and additional self-service functionality of our website for all of our programs will continue to generate annual administrative savings of $0.3 million. Additional savings will be realized under the new lease for the HESAA offices at Quakerbridge Plaza.

Capital Budget – The Authority maintains a capital fund that is utilized for investments in the improvement of HESAA’s technological infrastructure and Federal Information Security Management Act compliance (FISMA). The capital fund has been funded via budgeted transfers of federal Guaranty Agency Operating Fund balances over the years and is restricted by the federal Higher Education Act to expenditures associated with the delivery of student financial aid. This fund has a projected opening balance of $4.6 million as of July 1, 2015. The major expenditures for next year include replacement furniture for the move into our new and renovated office space, replacement of our antiquated Grants and Scholarship system and continued enhancement of NJCLASS loan application and servicing platform software, wireless access throughout our buildings and virtual servicer capacity expansion. With increasing amounts of data and media being transported over the web, it is critical that HESAA make these investments to continue to adequately serve students, families and institutions and deliver services. The expenditure budget for the capital fund is $2.0 million, an increase of $38,000, or 2% over the FY 2015 capital budget as detailed in attached Schedule II.

Summary

FY 2016 administrative resources of $28.6 million will fund budgeted expenditures of $28.6 million. HESAA has continued to contain administrative costs wherever possible
while making additional investments in HESAA’s infrastructure in support of federal contracts, better service to our constituents, and continued improvements to staff productivity.

The Board Budget Committee recommends that the Board approve Resolution 15:15 Approving HESAA’s FY 2016 Administrative and Capital Budgets.

Attachments
RESOLUTION 15:15

APPROVING HESAA’s FY 2016 ADMINISTRATIVE AND CAPITAL BUDGETS

Moved by: Mr. Bader Qarmout
Seconded by: Mr. Luis Padilla

WHEREAS: As part of the Higher Education Student Assistance Authority’s (HESAA) annual budget process, to ensure the Board’s oversight of the programmatic and administrative activities of the Authority, staff presents the FY 2016 administrative and capital budgets to the Board for its review and approval; and

WHEREAS: On June 29, 2015 the Board’s Budget Committee met with staff to review and approve the FY 2016 administrative and capital budgets for consideration by the full Board.

NOW THEREFORE, LET IT BE:

RESOLVED: That the Board hereby approves the FY 2016 administrative and capital budgets as advanced by the Budget Committee and described in the attachment to this resolution.

July 23, 2015
## Schedule 1

### Appropriated Administrative Revenues and Expenditures FY 2014-2016 ($000)

<table>
<thead>
<tr>
<th></th>
<th>FY 2014 Final</th>
<th>FY 2015 Budget</th>
<th>FY 2015 Revised</th>
<th>FY 2016 Budget</th>
<th>$ Increase (Decrease) From FY 2015 Budget</th>
<th>% Increase (Decrease) From FY 2015 Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Federal Student Loan Program Administration:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net Retained Collections</td>
<td>4,602</td>
<td>5,047</td>
<td>4,641</td>
<td>4,436</td>
<td>($511)</td>
<td>-12.1%</td>
</tr>
<tr>
<td>Proceeds from Sale of Rehabilitated Loans</td>
<td>4,617</td>
<td>2,139</td>
<td>2,682</td>
<td>2,357</td>
<td>$218</td>
<td>10.2%</td>
</tr>
<tr>
<td>Account Maintenance Fee</td>
<td>1,372</td>
<td>1,197</td>
<td>1,249</td>
<td>1,219</td>
<td>$22</td>
<td>1.9%</td>
</tr>
<tr>
<td>Loan Processing and Issuance Fee</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>$0</td>
<td>0.0%</td>
</tr>
<tr>
<td>Default Aversion Fee</td>
<td>196</td>
<td>194</td>
<td>(200)</td>
<td>190</td>
<td>($4)</td>
<td>-1.9%</td>
</tr>
<tr>
<td>MOHELA</td>
<td>244</td>
<td>200</td>
<td>245</td>
<td>245</td>
<td>$46</td>
<td>100.0%</td>
</tr>
<tr>
<td>Interest Earnings</td>
<td>27</td>
<td>22</td>
<td>27</td>
<td>20</td>
<td>($2)</td>
<td>-8.3%</td>
</tr>
<tr>
<td>Secondary Market Administrative Fees</td>
<td>206</td>
<td>155</td>
<td>155</td>
<td>140</td>
<td>($16)</td>
<td>-10.0%</td>
</tr>
<tr>
<td>Appropriated Guarantee Agency Operating Fund Balances</td>
<td></td>
<td></td>
<td></td>
<td>1,097</td>
<td>$1,097</td>
<td>100.0%</td>
</tr>
<tr>
<td><strong>Total Federal Student Loan Program Administration</strong></td>
<td>$11,264</td>
<td>$8,954</td>
<td>$8,799</td>
<td>$9,704</td>
<td>$749</td>
<td>8.4%</td>
</tr>
</tbody>
</table>

### NJCLASS

<table>
<thead>
<tr>
<th></th>
<th>FY 2014</th>
<th>FY 2015</th>
<th>FY 2015</th>
<th>FY 2016</th>
<th>$ Increase (Decrease) From FY 2015</th>
<th>% Increase (Decrease) From FY 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Application Fees</td>
<td>1,911</td>
<td>2,688</td>
<td>2,280</td>
<td>2,200</td>
<td>($488)</td>
<td>-18.1%</td>
</tr>
<tr>
<td>Servicing Fees</td>
<td>6,610</td>
<td>6,880</td>
<td>6,704</td>
<td>6,756</td>
<td>($124)</td>
<td>-1.8%</td>
</tr>
<tr>
<td>Administrative Fees</td>
<td>2,315</td>
<td>2,882</td>
<td>2,835</td>
<td>3,484</td>
<td>$603</td>
<td>20.9%</td>
</tr>
<tr>
<td>Net Collection Revenue</td>
<td>2,101</td>
<td>2,203</td>
<td>2,251</td>
<td>2,409</td>
<td>$206</td>
<td>9.3%</td>
</tr>
<tr>
<td>Interest Earnings</td>
<td>3</td>
<td>6</td>
<td>2</td>
<td>3</td>
<td>($3)</td>
<td>-54.5%</td>
</tr>
<tr>
<td><strong>Total NJCLASS Program Administration</strong></td>
<td>$12,940</td>
<td>$14,658</td>
<td>$14,072</td>
<td>$14,852</td>
<td>$194</td>
<td>1.3%</td>
</tr>
</tbody>
</table>

### NJBEST

<table>
<thead>
<tr>
<th></th>
<th>FY 2014</th>
<th>FY 2015</th>
<th>FY 2015</th>
<th>FY 2016</th>
<th>$ Increase (Decrease) From FY 2015</th>
<th>% Increase (Decrease) From FY 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fee Income From Provider</td>
<td>4,737</td>
<td>5,439</td>
<td>4,365</td>
<td>4,852</td>
<td>($587)</td>
<td>-10.8%</td>
</tr>
<tr>
<td>Interest Earnings</td>
<td>14</td>
<td>13</td>
<td>14</td>
<td>20</td>
<td>$8</td>
<td>60.6%</td>
</tr>
<tr>
<td>Scholarship Awards</td>
<td>(606)</td>
<td>(706)</td>
<td>(706)</td>
<td>(800)</td>
<td>($94)</td>
<td>13.3%</td>
</tr>
<tr>
<td><strong>Total NJBEST Program Administration</strong></td>
<td>$4,144</td>
<td>$4,745</td>
<td>$3,673</td>
<td>$4,072</td>
<td>($673)</td>
<td>-14.2%</td>
</tr>
</tbody>
</table>

**Total All Funds**

<table>
<thead>
<tr>
<th></th>
<th>FY 2014</th>
<th>FY 2015</th>
<th>FY 2015</th>
<th>FY 2016</th>
<th>$ Increase (Decrease) From FY 2015</th>
<th>% Increase (Decrease) From FY 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$28,348</td>
<td>$28,357</td>
<td>$26,544</td>
<td>$28,628</td>
<td>$560</td>
<td>2.0%</td>
</tr>
</tbody>
</table>

### FY 2016 HESAA Program Administrative Expenditure Budget:

<table>
<thead>
<tr>
<th></th>
<th>FY 2014</th>
<th>FY 2015</th>
<th>FY 2015</th>
<th>FY 2016</th>
<th>$ Increase (Decrease) From FY 2015</th>
<th>% Increase (Decrease) From FY 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salary and Wages</td>
<td>10,197</td>
<td>10,084</td>
<td>9,123</td>
<td>10,637</td>
<td>$553</td>
<td>5.5%</td>
</tr>
<tr>
<td>Employee Benefits</td>
<td>5,021</td>
<td>5,220</td>
<td>3,517</td>
<td>4,946</td>
<td>($274)</td>
<td>-5.2%</td>
</tr>
<tr>
<td>Materials/Supplies</td>
<td>403</td>
<td>469</td>
<td>409</td>
<td>432</td>
<td>($37)</td>
<td>-7.9%</td>
</tr>
<tr>
<td>Services Other Than Personnel</td>
<td>10,623</td>
<td>10,781</td>
<td>10,105</td>
<td>11,229</td>
<td>$448</td>
<td>4.2%</td>
</tr>
<tr>
<td>Maintenance and Fixed Charges</td>
<td>1,239</td>
<td>1,316</td>
<td>1,310</td>
<td>1,192</td>
<td>($123)</td>
<td>-9.4%</td>
</tr>
<tr>
<td>Special Purpose/Indirect Cost</td>
<td>206</td>
<td>198</td>
<td>236</td>
<td>191</td>
<td>($7)</td>
<td>-3.6%</td>
</tr>
<tr>
<td>Additions, Improvement and Equipment</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total Program Administrative Expenditures</strong></td>
<td>$27,689</td>
<td>$28,067</td>
<td>$24,700</td>
<td>$28,628</td>
<td>$560</td>
<td>2.0%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Net Surplus/(Deficit)</th>
<th>FY 2014</th>
<th>FY 2015</th>
<th>FY 2015</th>
<th>FY 2016</th>
<th>$ Increase (Decrease) From FY 2015</th>
<th>% Increase (Decrease) From FY 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>659</td>
<td>290</td>
<td>1,844</td>
<td>0</td>
<td>($290)</td>
<td>-100%</td>
</tr>
</tbody>
</table>
# NEW JERSEY HIGHER EDUCATION STUDENT ASSISTANCE AUTHORITY
## CAPITAL FUND
### SFY 2015 AND SFY 2016 BUDGETS

<table>
<thead>
<tr>
<th></th>
<th>FY 2015</th>
<th>FY 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Opening Balance</td>
<td>6,327,116</td>
<td>4,646,202</td>
</tr>
<tr>
<td>Encumberances</td>
<td>(1,601,625)</td>
<td>(1,680,914)</td>
</tr>
<tr>
<td>Budget</td>
<td>(1,970,252)</td>
<td>(2,008,086)</td>
</tr>
<tr>
<td>Transfer</td>
<td>1,890,963</td>
<td></td>
</tr>
<tr>
<td><strong>Ending Balance</strong></td>
<td>4,646,202</td>
<td>957,202</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Description</th>
<th>FY 2015</th>
<th>FY 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Telephony</td>
<td>-</td>
<td>26,000</td>
</tr>
<tr>
<td>Infrastructure</td>
<td>45,000</td>
<td>-</td>
</tr>
<tr>
<td>Mail Room Equipment</td>
<td>127,166</td>
<td>-</td>
</tr>
<tr>
<td>Replacement Furniture</td>
<td>10,000</td>
<td>30,000</td>
</tr>
<tr>
<td>Back-up and Recovery</td>
<td>170,000</td>
<td>-</td>
</tr>
<tr>
<td>NJCLASS /System Development</td>
<td>727,000</td>
<td>350,000</td>
</tr>
<tr>
<td>E-Mail</td>
<td>54,000</td>
<td>-</td>
</tr>
<tr>
<td>Network</td>
<td>50,000</td>
<td>-</td>
</tr>
<tr>
<td>Data Storage</td>
<td>70,000</td>
<td>130,000</td>
</tr>
<tr>
<td>Installment Payments</td>
<td>217,086</td>
<td>217,086</td>
</tr>
<tr>
<td>Grant Replacement System</td>
<td>500,000</td>
<td>700,000</td>
</tr>
<tr>
<td>Software &amp; Self Service Tools</td>
<td>-</td>
<td>190,000</td>
</tr>
<tr>
<td>Network Equip Replacement</td>
<td>-</td>
<td>20,000</td>
</tr>
<tr>
<td>Data Center Infrastructure</td>
<td>-</td>
<td>70,000</td>
</tr>
<tr>
<td>New Furniture for move $565K</td>
<td></td>
<td>275,000</td>
</tr>
</tbody>
</table>

**Total:** 1,970,252 2,008,086
MEMORANDUM

TO: Members, Higher Education Student Assistance Authority Board

THROUGH: Gabrielle Charette, Esq.
Executive Director

FROM: Marnie B. Grodman, Esq.
Director, Legal and Governmental Affairs
Administrative Practice Officer

SUBJECT: Resolution 16:15 – Approving the Readoption with Amendments of Regulations Governing the Primary Care Practitioner Loan Redemption Program, N.J.A.C. 9A:16

DATE: July 23, 2015

Background

Pursuant to N.J.S.A. 18A:71C-48 the Higher Education Student Assistance Authority (HESAA) is statutorily responsible for the administration of the Primary Care Practitioner Loan Redemption Program (“Program”) and for the promulgation of all rules to that effect. Pursuant to N.J.S.A. 52:14B-5.1b the rules governing the Program were scheduled to expire May 16, 2015. In accordance with N.J.S.A. 52:14B-5.1c(2), the submission of the notice of proposal to the Office of Administrative Law will extend that date 180 days. The Authority reviewed the rules and determined that they continue to be necessary, reasonable and proper for the purpose for which they were originally promulgated. The rules being readopted will continue to provide the Authority with the ability to administer the Program in an efficient and economic manner. To ensure the continued efficient administration and operation of this Program, the Authority proposed the readoption of these rules with amendments.

At its February 17, 2015 meeting the HESAA Board approved the proposed readoption with amendments to N.J.A.C. 9A:16. The proposed rule, PRN 2015-034, was published in the April 6, 2015 New Jersey Register at 47 N.J.R. 686(a), on the HESAA website at HESAA.org, sent to the Statehouse News Media and Secondary notice was emailed to interested parties. The 60-day legislative review period for this rule expired on May 6, 2015, with no comments received and the public comment period for this rule expired on June 5, 2015. The Authority received comments from Jean Public, Elaine Mahoney Kennedy, Director Of Government Relations,
Rowan University, Laurie A. Clark, Legislative Counsel, New Jersey Association of Osteopathic Physicians and Surgeons, Mishael Azam, Esq. Chief Operating Officer and Senior Manager, Legislative Affairs, Medical Society of New Jersey, Deborah S. Briggs, President & CEO New Jersey Council of Teaching Hospitals and Elizabeth A. Ryan, Esq., President & CEO New Jersey Hospital Association. The comments are summarized below along with the Higher Education Student Assistance Authority’s responses.

COMMENT: Ms. Public does not believe that taxpayer dollars should be used for this program because she feels that the Authority will continue to unfairly tax New Jersey residents as a result.

RESPONSE: These regulations are necessary to administer the Primary Care Practitioner Loan Redemption Program as established by statute. As the Authority does not have taxing authority, the Program is funded through a State appropriation, not through any tax implemented by the Higher Education Student Assistance Authority.

COMMENT: Ms. Public believes that those with jobs in healthcare have high enough salaries that they can afford to pay off their loans. She commented that there is no reason for a State program because there is a federal program for these loan redemptions.

RESPONSE: The Primary Care Practitioner Loan Redemption Program was established to provide an incentive to primary care practitioners to practice in medically underserved areas. Pursuant to 42 U.S.C. 254q-1, in order for a state to receive Federal funds for a primary care loan redemption program the state must administer the program and contribute matching funds in non-Federal dollars. The readopted rules are necessary to administer the program as statutorily created.

COMMENT: Ms. Kennedy advises that while N.J.S.A. 18A:65-94 transfers the rights to all of the schools, institutes, and centers of the University of Medicine and Dentistry of New Jersey, other than the School of Osteopathic Medicine, the entire Stratford campus, the remaining facilities in Camden, and University Hospital, to Rutgers, The State University, the School of Osteopathic Medicine and Cooper Medical School of Rowan University are part of Rowan University. As such, Rowan believes that in N.J.A.C. 9A:16-2.2 the reference providing sole determination for the location of the clinics and the program participants to the Dental School should be amended to reflect the expanded eligibility under the Primary Care Practitioner Loan Redemption Program and include Rowan University. Ms. Clark and Ms. Ryan also commented that Rowan University and Rutgers Biomedical and Health Sciences should be accurately referenced in all sections of the rule proposal.

RESPONSE: The regulations mirror N.J.S.A. 18A:71C-32 et seq. in that only the dental school is referenced by name. As no dental schools were transferred to Rowan University pursuant to N.J.S.A. 18A:65-94, the regulations as amended accurately reflect the amendments made to N.J.S.A. 18A:71C-32 et seq.

COMMENT: Ms. Azam and Ms. Briggs believe that the requirement for sites to provide universal access to populations served regardless of insurance coverage is unnecessarily onerous.
They state that a requirement that prohibits income limits the site selection too narrowly and recommend amending N.J.A.C. 9A:16-1.2 to read “Site shall not discriminate against any patient in the provision of health care services on the basis of that person’s ability to pay or source of income.”

RESPONSE: The Authority disagrees with the assessment that this requirement is too onerous or that it limits the income of the provider. The paragraph requires sites to accept patients regardless of their insurance coverage. It does not limit the sites to only those without insurance. In addition, the existing regulation has substantially the same meaning as the recommended amendment in that both versions prohibit discriminating against patients whose ability to pay is not based on insurance.

COMMENT: Ms. Azam and Ms. Briggs also find the requirement for sites to demonstrate that they provide services to an underserved population based on the percentage of medically underserved patients served in the county to be unnecessarily onerous. They state that sites do not have the statistics to perform this calculation and should only be required to show that they served an underserved population.

RESPONSE: The Authority disagrees that this requirement is onerous as the statistical information is available on the county websites or by contacting the administrators of the Primary Care Practitioner Loan Redemption Program. In addition, this requirement is necessary to ensure that a significant portion of the underserved population is being served as opposed to a perfunctory few.

COMMENT: Ms. Azam and Ms. Briggs recommend replacing the definition of “State designated underserved area” with the following: “State designated medically underserved area’ means a New Jersey municipality designated by the Commissioner of Health in consultation with the Commissioner of Human Services and the New Jersey Council of Teaching Hospitals.” They recommend that the Commissioner of Health include both health professional shortage areas and medically underserved populations to create and maintain this list, using the following criteria: the financial resources of the population under consideration and; the population’s access to primary care through facilities and private practices; appropriate physician availability in State, county, municipal, and private nonprofit health care facilities. In addition they suggest that a New Jersey municipality which has more than 20% of its households under 200% of the federal poverty level should automatically be deemed a State designated medically underserved area. In addition, Ms. Ryan recommends expanding the program to increase eligibility and serve more patients across the state by designating additional underserved areas of the state as approved sites. She recommends adding municipalities with a high percentage of households below the Federal poverty level and believes this expansion would encourage more physicians to stay in the State.

RESPONSE: The regulations use the term “State designated underserved area” because that is the term used in the statute, N.J.S.A. 18A:71C-32. In order to meet the statutory requirements of the definition, the regulation references the criteria provided by N.J.S.A. 18A:71C-35. The statute specifically authorizes the Commissioner of Health, after consultation with the Commissioners of Corrections and Human Services, to designate and rank the State
designated underserved areas. While input from other organizations, such as the New Jersey Council of Teaching Hospitals, is encouraged, it would be expanding the scope of the statute to require the Commissioner to consult with the Council.

COMMENT: Ms. Azam and Ms. Briggs recommend amending N.J.A.C. 9A:16-2.1(a)1. to read as follows: “Maintain residency in New Jersey throughout participation in the program.”

RESPONSE: Potential participants are permitted to apply to the program before they move to New Jersey. As such, HESAA agrees that it is necessary to amend N.J.A.C. 9A:16-2.1(a)1 to clarify eligibility. This change can be made upon adoption because the purpose of the language is to clarify the proposal by aligning it to current practice, pursuant to N.J.A.C. 1:30-6.3(f)2. and pursuant to N.J.A.C. 1:30-6.3(f)3. the changes do not significantly enlarge or curtail the scope of the rule or those who are affected by it.

COMMENT: Ms. Azam and Ms. Briggs recommend amending N.J.A.C. 9A:16-2.1(a)2. to read as follows: “Maintain a license or certification to practice medicine in the State throughout participation in the program.”

RESPONSE: Potential participants are currently able to apply for the program in anticipation of receiving their license. As such, HESAA agrees that it is necessary to amend N.J.A.C. 9A:16-2.1(a)2 to clarify eligibility. This change can be made upon adoption because the purpose of the language is to clarify the proposal by aligning it to current practice, pursuant to N.J.A.C. 1:30-6.3(f)2. and pursuant to N.J.A.C. 1:30-6.3(f)3. the changes do not significantly enlarge or curtail the scope of the rule or those who are affected by it.

The proposed modifications to N.J.A.C. 9A:16-2.1(a)1 and 2 are as follows (additions to the original proposal indicated with asterisks *thus* deletions from the proposal indicated in brackets with asterisks *[thus]*):

§ 9A:16-2.1 Eligibility

(a) To be eligible for participation in the program, an applicant must:

1. *[Be a resident of the State of New Jersey at the time of application and maintain]* *Maintain* residency *in the State of New Jersey* throughout participation in the program;
2. *[Be licensed to practice as a primary care practitioner in the State of New Jersey at the time of application and maintain]* *Maintain* a license to practice *as a primary care practitioner* in the State *of New Jersey* throughout participation in the program;
3. Agree to practice primary care at an approved site;
4. Not be in default on any eligible qualifying loan; and
5. Adhere to the following performance standards:
i. Enter into a mutually acceptable contract with an approved site;
ii. Report to the Authority, on the form provided by the Authority, on the program participant's performance of services rendered at an approved site prior to the repayment of the annual amount of eligible redemption; and
iii. If the approved site is a clinic which is part of the extramural network of dental clinics established by the Rutgers School of Dental Medicine of the Rutgers Biomedical and Health Sciences, the program participant shall also meet performance standards set by the Rutgers School of Dental Medicine.

Attached to Resolution 15:15 is the Rule Proposal as published in the April 6, 2015 New Jersey Register.

**Recommendation**

It is recommended that the Board approve Resolution 16:15 Approving the Readoption with Amendments of Regulations Governing the Primary Care Practitioner Loan Redemption Program, N.J.A.C. 9A:16.

Attachments
RESOLUTION 16:15

APPROVING THE PROPOSED READOPTION WITH AMENDMENTS OF REGULATIONS GOVERNING THE PRIMARY CARE PRACTITIONER LOAN REDEMPTION PROGRAM, N.J.A.C. 9A:16

Moved by: Ms. Audrey Bennerson
Seconded by: Mr. James Allen

WHEREAS: Pursuant to N.J.S.A. 18A:71C-48 the Higher Education Student Assistance Authority ("HESAA") is statutorily responsible for the administration of the Primary Care Practitioner Loan Redemption Program; and

WHEREAS: Pursuant to N.J.S.A. 52:14B-5.1, N.J.A.C. 9A:16 were scheduled to sunset on May 16, 2015; and

WHEREAS: The Authority reviewed the rules and determined that they continue to be necessary, reasonable and proper for the purpose for which they were originally promulgated; and

WHEREAS: At its February 17, 2015 meeting the HESAA Board approved the proposed readoption with amendments to N.J.A.C. 9A:16; and

WHEREAS: The Proposed Rule No. PRN 2015-034, was published in the April 6, 2015 New Jersey Register at 47 N.J.R. 686(a), on the HESAA website at HESAA.org, sent to the Statehouse News Media and Secondary notice was emailed to interested parties; and

WHEREAS: In accordance with N.J.S.A. 52:14B-5.1c(2), the submission of the notice of proposal to the Office of Administrative Law extended the sunset date 180 days; and

WHEREAS: The 60-day legislative review period for this rule expired on May 6, 2015, with no comments received; and

WHEREAS: The public comment period for this rule expired on June 5, 2015 with six comments received;

WHEREAS: Clarifying language is necessary in N.J.A.C. 9A:16-2.1(a)1 and 2 to align the rule with current practice; and

WHEREAS: This change can be made upon adoption because the purpose of the language is to clarify the proposal pursuant to N.J.A.C. 1:30-6.3(f)2. and pursuant to N.J.A.C. 1:30-6.3(f)3. the changes do not significantly enlarge or curtail the scope of the rule or those who are affected by it.

NOW, THEREFORE, LET IT BE:

RESOLVED: That the Board approves the Readoption with Amendments of Regulations Governing the Primary Care Practitioner Loan Redemption Program, N.J.A.C. 9A:16.

July 23, 2015
have an effect on the agriculture industry as the mapped coastal wetlands subject of the remapping have not been in continuous commercial salt hay or other agricultural production since April 13, 1973.

Regulatory Flexibility Analysis
In accordance with the New Jersey Regulatory Flexibility Act, N.J.S.A. 52:14B-16 et seq., the Department has determined that the proposed amendments of Coastal Wetlands Maps 252-2112 and 259-2112 will have an impact on a small business as the contract purchaser of the petitioner's property is a small business as defined in the Act. The requirements applicable to any potential development on the site would be the same as those imposed on any applicant proposing a regulated development within the coastal area and include the costs associated with the submission of an application to the Department. The requirements of the rules applicable to this property and small business are the minimum determined to be appropriate to protect public health, safety, and the environment. Accordingly, no differentiation in requirements applicable to this small business is provided.

Housing Affordability Impact Analysis
In accordance with N.J.S.A. 52:14B-4, as amended effective July 17, 2008, by P.L. 2008, c. 46, the Department has evaluated the proposed revision to Coastal Wetlands Maps 252-2112 and 259-2112 to determine the impact, if any, on the affordability of housing. The proposed revisions to the Coastal Wetlands Maps will result in the reclassification of an approximately 1.15-acre area of coastal wetlands to uplands and is not anticipated to have any effect on housing affordability. The Department believes that it is extremely unlikely that the reclassification of .82 acres would evoke a change in the average costs associated with housing.

Smart Growth Development Impact Analysis
In accordance with N.J.S.A. 52:14B-4, as amended effective July 17, 2008, by P.L. 2008, c. 46, the Department has evaluated the proposed revisions to Coastal Wetlands Maps 252-2112 and 259-2112 to determine the impacts, if any, on housing production in Planning Areas 1 or 2, or within designated centers, under the State Development and Redevelopment Plan (State Plan).

The site on which the reclassification of coastal wetlands as uplands would occur, located in Long Beach Township, Ocean County, is within Planning Area 5B (environmentally sensitive planning area), under the State Plan. Accordingly, the reclassification of approximately 1.15 acres of coastal wetlands to uplands within this Planning Area will not evoke a change in housing production in Planning Areas 1 or 2 or within designated centers.

Full text of the proposal follows:

7:7-2.2 Wetlands

(a)-(b) (No change.)

(c) The Wetlands Order promulgated by the Commissioner of Environmental Protection in April 1972, any amendments thereto, and these rules shall be applicable only in those areas shown waterward of the upper wetland boundary on the following wetlands maps:

1.-2. (No change.)

3. Ocean County:

(Agency Note: The following maps are proposed to be altered:

252-2112

259-2112

4.-11. (No change.)

PROPOSALS

HIGHER EDUCATION

Higher Education Student Assistance Authority

Primary Care Practitioner Loan Redemption Program

Proposed Readoption with Amendments: N.J.A.C. 9A:16

Authorized By: Higher Education Student Assistance Authority,

Anthony Falcone, Chairperson.


Calendar Reference: See Summary below for explanation of exception to calendar requirement.

Proposal Number: PRN 2015-034

Submit written comments by June 5, 2015, to:

Marnie B. Grozman, Esquire
Administrative Practice Officer
Higher Education Student Assistance Authority
PO Box 545
Trenton, NJ 08625-0545

E-mail: Regulations@hesaa.org

The agency proposal follows:

Summary

The Higher Education Student Assistance Authority (Authority) proposes to readopt N.J.A.C. 9A:16 governing the Primary Care Practitioner Loan Redemption Program (PCPLRP). Pursuant to N.J.S.A. 52:14B-5.1, this chapter was scheduled to expire on May 16, 2015. In accordance with N.J.S.A. 52:14B-5.1.c(2), the filing of this notice of proposal with the Office of Administrative Law on March 2, 2015, will extend that date 180 days to November 12, 2015.

The Authority has reviewed the rules and determined that they continue to be necessary, reasonable, and proper for the purpose for which they were originally promulgated. The rules proposed to be readopted will continue to provide the Authority with the ability to administer the Primary Care Practitioner Loan Redemption Program ("PCPLRP" or "Program") in an efficient and economic manner. Pursuant to N.J.S.A. 18A:71C-48, the Authority is statutorily responsible for the administration of the PCPLRP and for the promulgation of all rules to that effect. To ensure the continued efficient administration and operation of this program, the Authority is proposing the readoption of these rules with amendments, all of which are summarized below.

N.J.A.C. 9A:16-1 sets forth the general provisions of the Program, explaining that the Program provides for the redemption of eligible student loan expenses of its participants in exchange for a specified period of service in medically underserved areas and defining words and terms used in the chapter.

N.J.S.A. 18A:65-94 transfers all rights of the schools of the University of Medicine and Dentistry of New Jersey to Rutgers, the State University. As such, N.J.A.C. 9A:16-1.2 is proposed to be amended to replace reference to the New Jersey Dental School of the University of Medicine and Dentistry of New Jersey with the Rutgers School of Dental Medicine of the Rutgers Biomedical and Health Sciences. This replacement is also made in N.J.A.C. 9A:16-2.1(a) and 2.2(f).

N.J.A.C. 9A:16-1.2 is further amended to reflect that the current Department name is the Department of Health, not the Department of Health and Senior Services. As such, the phrase, "and Senior Services" is deleted in the definitions for "approved site," "Commissioner," "primary care," and "State designated underserved area."

N.J.A.C. 9A:16-2.1 sets forth the Program requirements. This subchapter includes the eligibility provisions, application and selection requirements for participants, terms and procedures for the loan redemption, and conditions and allocation of funds in the event of cancellation of the contract and termination of an individual's participation in the Program.
PROPOSALS

N.J.A.C. 9A:16-2.2(b) is proposed to be amended to reflect the fact that to receive consideration for participation in the program an applicant is not required to submit an application annually.

N.J.A.C. 9A:16-2.4 regulates required annual submissions. N.J.A.C. 9A:16-2.4(a) is proposed to be amended to state that the document participants are required to submit annually is not an application, but rather a loan distribution form used to request the earned amount of the loan redemption.

As the Authority has provided a 60-day comment period on this notice of proposal, this notice is excepted from the rulemaking calendar requirement pursuant to N.J.A.C. 1:30-3.3(a).

Social Impact
The rules proposed for readoption with amendments govern the administration of the PCPLRP, the purpose of which is to increase and improve the provision of primary health care in those areas of the State that are currently underserved. To encourage service in these areas and improve primary care services offered to many New Jersey residents, on an annual basis the State redeems a percentage of the educational loans of primary care practitioners. The rules proposed for readoption with amendments establish the criteria for eligibility and the procedures to redeem participants' student loans. In addition to providing technical updates, the amendments provide clarity on the application and certification process. These rules as amended positively impact participants by providing guidance on how to redeem a portion of their student loans. The rules also positively impact State residents that live in underserved areas by helping to ensure that they have access to primary healthcare.

Economic Impact
The rules proposed for readoption with amendments do not represent any new cost factors for the State. The current appropriation for this program is $1.5 million, of which 25 percent is dedicated to the Nursing Faculty Loan Redemption Program pursuant to N.J.S.A. 18A:71C-58.

Federal Standards Statement
A Federal standards analysis is not required since the rules proposed for readoption with amendments are not subject to any Federal requirements or standards, with the exception of those governing loan redemptions Federally funded through a matching grant pursuant to the Public Health Services Act, 42 U.S.C. 254q-1. The rules governing the Primary Care Practitioner Loan Redemption Program are consistent with, but do not exceed, the terms and conditions of contracts under the Public Health Services Act, therefore, a Federal standards analysis is not applicable.

Jobs Impact
The rules proposed for readoption with amendments will not result in the loss or generation of jobs. The rules, which establish criteria for eligibility and application, as well as the procedures for loan redemption, provide information and incentives for participation in the program which may facilitate employment opportunities in the health care field.

Agriculture Industry Impact
The rules proposed for readoption with amendments will not have any impact on the agriculture industry.

Regulatory Flexibility Statement
A regulatory flexibility analysis is not required because the rules proposed for readoption with amendments do not impose reporting, recordkeeping, or other compliance requirements on small businesses as defined by the Regulatory Flexibility Act, N.J.S.A. 52:14B-16 et seq. The requirements of these rules are imposed on individuals, as program participants, not on small businesses.

Housing Affordability Impact Analysis
The rules proposed for readoption with amendments will have an insignificant impact on affordable housing in New Jersey and there is an extreme unlikelihood that the rules would evoke a change in the average costs associated with housing because the rules proposed for readoption with amendments concern student loan redemption, not housing.

HIGHER EDUCATION

Smart Growth Development Impact Analysis
The rules proposed for readoption with amendments will have an insignificant impact on smart growth and there is an extreme unlikelihood that the rules would evoke a change in housing production in Planning Areas 1 or 2, or within designated centers, under the State Development and Redevelopment Plan in New Jersey. The rules proposed for readoption with amendments affect student loan redemption which has no impact on housing production.

Full text of the rules proposed for readoption may be found in the New Jersey Administrative Code at N.J.A.C. 9A:16.

Full text of the proposed amendments follow (additional indicated in boldface thus; deletions indicated in brackets [thus]):

SUBCHAPTER 1. GENERAL PROVISIONS
9A:16-1.2 Definitions
The following words and terms, when used in this chapter, shall have the following meaning unless the context clearly indicates otherwise.

"Approved site" means a site located within a State designated underserved area or a health professional shortage area, or a clinic which is part of the extramural network of dental clinics established by the [New Jersey Dental School of the University of Medicine and Dentistry of New Jersey] Rutgers School of Dental Medicine of the Rutgers Biomedical and Health Sciences, or a site that has been determined by the Higher Education Student Assistance Authority, in consultation with the Department of Health [and Senior Services], to serve medically underserved populations according to criteria determined by the Authority, including:

1-6. (No change.)

... "Commissioner" means the Commissioner of the New Jersey Department of Health [and Senior Services] or his or her designee.

... "Primary care" means the practice of family medicine, general internal medicine, general pediatrics, general obstetrics, gynecology, pediatric dentistry, general dentistry, public health dentistry, and any other areas of medicine or dentistry defined as such by the Commissioner of Health [and Senior Services]. Primary care also includes the practice of a nurse-practitioner, certified nurse-midwife, and physician assistant as defined by the U.S. Department of Health and Human Services regulations at 42 CFR Part 62.

... "State designated underserved area" means a geographic area in this State which has been ranked by the Commissioner of Health [and Senior Services] on the basis of health status and economic indicators as reflecting a health professional shortage pursuant to the criteria established in N.J.S.A. 18A:71C-35.

... SUBCHAPTER 2. PROGRAM REQUIREMENTS
9A:16-2.1 Eligibility
(a) To be eligible for participation in the program, an applicant must:
1.-4. (No change.)

5. Adhere to the following performance standards:
   i.-ii. (No change.)

iii. If the approved site is a clinic which is part of the extramural network of dental clinics established by the [New Jersey Dental School of the University of Medicine and Dentistry of New Jersey] Rutgers School of Dental Medicine of the Rutgers Biomedical and Health Sciences, the program participant shall also meet performance standards set by the [New Jersey Dental School] Rutgers School of Dental Medicine.

9A:16-2.2 Application and selection procedures
(a) (No change.)

(b) To receive consideration for participation in the program, an applicant must [annually] submit a completed program application to the Executive Director.

(c)-e) (No change.)

NEW JERSEY REGISTER, MONDAY, APRIL 6, 2015 (CITE 47 N.J.R. 687)
(f) At the completion of each program participant's probationary period, a primary care staff member at his or her approved site, or in the case of a clinic which is part of the extramural network of dental clinics established by the [New Jersey Dental School of the University of Medicine and Dentistry of New Jersey] Rutgers School of Dental Medicine of the Rutgers Biomedical and Health Sciences, the director of the clinic and the vice-dean of the dental school, or whoever is serving in that capacity, shall submit to the Executive Director a recommendation of either the continuation of the program participant's placement, a change of placement, or the program participant's unsuitability for the program.

1.-2. (No change.)

(g)-(h) (No change.)

9A:16-2.4 Procedure for loan redemption

(a) Upon completion of each full year of service, each program participant shall [apply] submit a loan distribution form to the Executive Director for the earned amount of indebtedness redemption specified in his or her contract. At the time of [application] submission, the [applicant] participant shall submit to the Executive Director a Participation Performance Report, which shall include:

1. (No change.)

(b)-(c) (No change.)

LAW AND PUBLIC SAFETY

(a)

DIVISION OF CONSUMER AFFAIRS

BOARD OF EXAMINERS OF ELECTRICAL CONTRACTORS

Fire Alarm, Burglar Alarm and Locksmith Advisory Committee

Credit Towards Licensure for Education, Training, and Experience Received While Serving as a Member of the Armed Forces


Authorized By: Board of Examiners of Electrical Contractors, David Freed, Acting Executive Director.


Calendar Reference: See Summary below for explanation of exception to calendar requirement.

Proposal Number: PRN 2015-035.

Submit written comments by June 5, 2015, to:

David Freed, Acting Executive Director
Board of Examiners of Electrical Contractors
124 Halsey Street
PO Box 45006
Newark, NJ 07101

or electronically at: www.NJ ConsumerAffairs.gov/proposal/comment/

The agency proposal follows:

Summary

The Board of Examiners of Electrical Contractors (Board), in consultation with the Fire Alarm, Burglar Alarm and Locksmith Advisory Committee (Committee), is proposing to add new rules to N.J.A.C. 13:31A to implement P.L. 2013, c. 49 (Act), which mandates that a professional or occupational board designated in section 2 of P.L. 1978, c. 75 (N.J.S.A. 45:1-15) that issues a professional or occupational license is required to give credit towards its requirements for any portion of the training, education, and experience received while serving as a member of the Armed Forces of the United States (Armed Forces) that is substantially equivalent to the training, education, or experience required for licensure.

Proposed new N.J.A.C. 13:31A-2.4(a) and 3.9(a) would permit an applicant for a locksmith or alarm installer license who has been honorably discharged from the Armed Forces and who does not meet all of the training, education, and experience requirements for licensure under N.J.A.C. 13:31A-2.1 or 3.1, as applicable, to apply to the Committee for recognition of the applicant's training, education, and experience received while serving as a member of the Armed Forces as being substantially equivalent to the training, education, and experience required for licensure.

Proposed new N.J.A.C. 13:31A-2.4(b) and 3.9(b) set forth the evidence that the applicant would be required to provide to establish that the relevant education, training, and experience received while in the military is substantially equivalent in scope and character to the education, training, and experience required by the Committee for licensure. Proposed new N.J.A.C. 13:31A-2.4(b)(2) and 3.9(b)(2) would require the applicant to submit verification of his or her military experience and training to the Committee for determining substantial equivalence to the practical hands-on experience required under N.J.A.C. 13:31A-2.1 and 3.1, as applicable.

Proposed new N.J.A.C. 13:31A-2.4(b)(2)ii sets forth the procedure that an applicant for a locksmith license must follow to have his or her military education and/or training evaluated for substantial equivalence to the course requirements of N.J.A.C. 13:31A-2.1. Similarly, proposed N.J.A.C. 13:31A-3.9(b)(2)ii sets forth the procedure that an applicant for an alarm installer license must follow to have his or her military education and/or training evaluated for substantial equivalence to the technical course requirements of N.J.A.C. 13:31A-3.1, a bachelors' degree in electrical engineering, or a one-year course in the study of trade-related electronics at a technical school.

Proposed N.J.A.C. 13:31A-2.4(b)(3) and 3.9(b)(3) would require that the applicant comply with all other requirements for licensure, including successful completion of the examination requirement.

Under proposed new N.J.A.C. 13:31A-2.4(c) and 3.9(c), the applicant would be responsible for providing timely and complete evidence of the education, training, and/or experience gained in the military, for review and consideration. If all of the applicant's military training, education, or experience is not deemed substantially equivalent to the Committee's requirements, N.J.A.C. 13:31A-2.4(d) and 3.9(d) would require the Committee to credit whatever portion of the applicant's military training, education, or experience it deems to be substantially equivalent towards meeting the requirements of licensure. Additionally, proposed new N.J.A.C. 13:31A-2.4(e) and 3.9(e) provide that evidence of such education, training, or service will be assessed on a case-by-case basis.

The Board has provided a 60-day comment period for this notice of proposal. Therefore, this notice is excepted from the rulemaking calendar requirement pursuant to N.J.A.C. 1:30-3.3(a).5.

Social Impact

The Board has determined that the proposed new rules would help New Jersey veterans transition from military to civilian life. New Jersey veterans who have received relevant training, education, and experience while in the military would be able to have that training, education, and experience evaluated for substantial equivalence to Committee requirements. Whatever portion of the veteran's training, education, and/or experience is found to be substantially equivalent would be credited towards the requirements for licensure. This procedure would create an efficient process for licensing veterans in professional careers who have received valuable education and work skills while in the military, benefiting veterans as noted in the Economic Impact statement below. Prospective employers may also benefit from the increased pool of qualified potential employees. The Board anticipates that the proposed new rules would have no adverse effect on public health, safety, or welfare.

Economic Impact

The Board believes that the proposed new rules may have a positive economic impact on New Jersey veterans. Creditting substantially equivalent education received in the military towards the requirements for licensure may save veterans tuition costs for duplicative education; crediting substantially equivalent training and experience may save veterans time in achieving licensure. Obtaining licensure may translate into landing higher paying jobs more quickly, which, in turn, may
RESOLUTION

Expression of Appreciation to
Ms. Kathleen Flynn

WHEREAS: Ms. Kathleen Flynn has served with distinction on the Student Advisory Committee (SAC) and was elected vice chairperson for 2014 - 2015; and

WHEREAS: In her role as an officer of the SAC, Ms. Flynn served as a member of the Board of the Higher Education Student Assistance Authority (HESAA), effectively representing New Jersey students; and

WHEREAS: Ms. Flynn has proven herself a devoted advocate for students of New Jersey, providing valuable input on policy matters affecting students and their access to education; and

WHEREAS: Her contributions as a Board member of HESAA have helped advance postsecondary education and enhanced delivery of student aid in New Jersey; and

WHEREAS: The members of the Board of the Higher Education Student Assistance Authority wish to acknowledge Ms. Flynn’s fine service and contributions in providing an effective program of student financial assistance; now therefore be it

RESOLVED: That the Higher Education Student Assistance Authority hereby adopts this resolution as an acknowledgement of Ms. Flynn’s service and dedication; and be it further

RESOLVED: That the Board of the Higher Education Student Assistance Authority expresses its appreciation to Ms. Flynn for her outstanding leadership and dedication on behalf of New Jersey students; and be it further

RESOLVED: That the Board of the Higher Education Student Assistance Authority expresses its best wishes to Ms. Flynn for success in all of her future endeavors; and be it further

RESOLVED: That a copy of this resolution be noted in the official records of the Authority and the original be presented to Ms. Flynn.

July 23, 2015